

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
September 27, 2005**

Note: Copies of the recorded meeting on cassette tape can be obtained from Mrs. Victoria Joncas, NDEP, 901 South Stewart Street, Carson City, Nevada 89701 or by calling (775) 687-9367.

I. CALL TO ORDER

Chairman Haycock called the meeting to order from the Las Vegas location at 10:00 a.m. The meeting was conducted via videoconference with locations in Las Vegas at 555 East Washington Avenue, Room 4406 and in Carson City at the Legislative Counsel Building, 401 South Carson Street, Room 2134.

A. BOARD MEMBERS PRESENT - Present in Carson City were, Mr. Edgar Roberts; Ms. Linda Bowman; Ms. JoAnn Blystone; Mr. Mike Miller; and, Mr. Tom Porta (filling in for Mr. Leo Drozdoff), and Mr. Ken Tyler of the State Fire Marshall's Office. Also present were Mr. Gil Cerruti; Mrs. Victoria Joncas; Ms. Karen Fleming of NDEP; and representatives from Broadbent and Associates Mr. Scott Keesey; and ECO Services Mr. Ken Kramer.

In Las Vegas, present were Mr. John Haycock (Board Chairman); Mr. David Newton from the Attorney General's Office; Ms. Kimberly Felton, a staff member in the Las Vegas Office; and, representatives from Stewart Environmental Mr. Keith Stewart and Mr. Gregory Beck; and from Broadbent and Associates, Mr. Kirk Stowers.

II. APPROVAL OF THE AGENDA

Mr. Gil Cerruti announced that a handout was provided to all Board members which revised the third page in the agenda. The revision is to the total dollar amount listed.

Ms. Joanne Blystone moved to approve the agenda as amended. Ms. Linda Bowman seconded the Motion. Motion carried unanimously.

III. APPROVAL OF THE JUNE 9, 2005 MINUTES

Ms. Joanne Blystone moved to approve the Minutes. Mr. Tom Porta seconded the Motion. Motion carried unanimously.

IV. STATUS OF THE FUND

Mr. Cerruti reported that no petroleum funding has been received for this fiscal year. The collection of these funds was turned off in July 2005. There is a balance carry forward in the fund of \$13,000,000 from fiscal year 2005. A check in the amount of \$1,356. was also received. The reimbursed claims total of \$151,000 together with the liabilities transferred out of the fund to other agencies, such as DMV, leave a remaining fund balance of \$11,500,000, which may be used for the reimbursement of claims. The claims being presented today total approximately 1.85 million dollars.

Mr. Cerruti stated that this balance would be reduced by approximately two million dollars for each of the next four meetings throughout fiscal year 2006. The forecast for the balance remaining in the fund at the end of the 2006 fiscal year is between three and four million dollars. This will bring the fund amount below the statutory level of five million dollars. At this point, the three-quarters- of-a-penny per gallon fee on fuel will be reinstated.

V. EQUIPMENT TRANSFER/SALES

A. Sale of Remediation Equipment to D & L Dismantlers: Resolution No. 2005-07

This is a sale of discrepant equipment and material collected over the years and stored in the yard provided by ECO Services. The equipment is deteriorating and is composed of metal and plastic. It has no further value in the remediation of any of the sites, either because it is obsolete technology or refurbishment is cost-prohibitive. The scrap value has been determined by D & L Dismantlers. Mr. Cerruti stated that he has inspected the equipment and spoke with a representative from D & L Dismantlers.

Chairman Haycock stated that he conferred with Mr. David Newton who has confirmed that the procedure followed is the correct legal procedure.

Mr. Edgar Roberts moved to approve the sale of remediation equipment to D & L Dismantlers. Ms. Linda Bowman seconded the Motion. Motion carried unanimously.

VI. ADOPTION OF CONSENT ITEMS

The consent agenda consists of:

	VI A	HEATING OIL	REQUESTED	RECOMMENDED
1#	1992000102H	Lyon Co. School District: Yerington Elementary	\$6,341.93	\$6,321.93
2#	1994000016H	Churchill County: Churchill County Road Dept.	\$11,910.32	\$9,528.26
3#	2005000013H	Lennar Reno, LLC: Lennar Subdivision	\$15,355.65	\$14,852.65
4#	2005000014H	Lennar Reno, LLC: Lennar Subdivision	\$3,872.93	\$3,622.93
5#	2005000016H	Univ. Of NV Reno: Former Bishop Manogue H.S.	\$5,349.50	\$4,814.55
6#	2005000026H	Ann Kirwin: Sampson Property	\$16,628.66	\$15,173.36
7#	2005000040H	George Tsouris: Tsouris Residence	\$7,990.29	\$7,740.29
8#	2005000042H	Jackie Cox: Cox Residence	\$4,007.11	\$3,757.11
HEATING OIL SUB TOTAL:			<u>\$71,456.39</u>	<u>\$65,811.08</u>

	VI B	NEW CASES, OTHER PRODUCTS	REQUESTED	RECOMMENDED
1#	2005000019	Tom Cotrell: Morton's Flying J	\$32,091.97	\$28,882.77
2#	2005000025	Bordertown, Inc.: Winner's Corner	\$45,943.10	\$41,348.79
3#	2005000039	Time Oil Company: Taylor Street Market	\$95,216.28	\$26,402.95
NEW CASES SUB TOTAL:			<u>\$173,254.35</u>	<u>\$96,634.51</u>

VI C	OLD CASES	REQUESTED	RECOMMENDED
1#	1991000030 Tom Horn Group: Fitzgerald Properties	\$14,422.50	\$8,149.00
2#	1991000059 BP West Coast Products LLC: ARCO # 2137	\$5,992.68	\$5,992.68
3#	1992000014 BP West Coast Products LLC: ARCO # 6068	\$8,539.79	\$7,684.48
4#	1992000034 PDQ Stores, Inc.: PDQ # 508	\$2,669.60	\$2,658.35
5#	1992000062 Allied Washoe: Allied Petroleum - Elko	\$15,562.16	\$15,562.16
6#	1992000087 Anderson Dairy, Inc.: Anderson Dairy	\$16,790.47	\$16,790.47
7#	1992000127 City of Las Vegas: Former Obie's Texaco	\$54,409.09	\$51,034.52
8#	1993000010 7-Eleven, Inc.: 7-Eleven # 20687	\$18,145.20	\$16,241.58
9#	1993000011 7-Eleven, Inc.: 7-Eleven # 29646	\$18,356.64	\$17,631.64
10#	1993000051 BP West Coast Products LLC: ARCO # 4950	\$5,855.04	\$5,855.04
11#	1993000102 Rebel Oil Company: Rebel # 8	\$23,236.83	\$23,226.83
12#	1993000103 Russell Yardley: Charlie Brown Construction	\$13,516.31	\$13,245.98
13#	1993000107 BP West Coast Products LLC: ARCO # 5310	\$8,323.71	\$8,323.71
14#	1993000114 Linda Hansen: Zintek Properties	\$11,931.25	\$11,926.25
15#	1993000115 City of Fallon: Former Bootlegger Texaco	\$5,570.00	\$5,570.00
16#	1993000126 Cortez Gold Mines: Mill Site - Beowawe	\$180,940.05	\$175,376.56
17#	1994000003 Allied Washoe: Allied Petroleum - Reno	\$22,101.41	\$21,523.91
18#	1994000012 American Mart Corp.: DeLuca Liquor & Wine	\$27,834.90	\$11,452.00
19#	1994000027 7-Eleven, Inc.: 7-Eleven # 19653	\$21,066.79	\$21,066.79
20#	1994000028 7-Eleven, Inc.: 7-Eleven # 20084	\$12,984.47	\$12,984.47
21#	1994000029 7-Eleven, Inc.: 7-Eleven # 20826	\$7,647.70	\$5,735.77
22#	1994000065 Avis Rent A Car Systems: Avis Rent A Car	\$39,544.69	\$44,853.94
23#	1994000086 Falconi Motors, Inc.: Falconi's Tropicana Honda	\$20,296.61	\$20,287.56
24#	1994000120 Conoco Phillips Company: Union 76 # 3846	\$25,585.84	\$22,642.77
25#	1994000122 Mark Michelson: Mike's Gas-A-Mart	\$31,185.37	\$25,572.90
26#	1994000125 Conoco Phillips Company: Union 76 # 5558	\$9,281.19	\$9,274.78
27#	1995000022 Conoco Phillips Company: Union 76 # 4370	\$5,340.36	\$5,340.36
28#	1995000028 Gita Corporation: Gita Corporation Facility	\$2,708.36	\$2,437.53
29#	1995000029 BP West Coast Products LLC: ARCO # 1903	\$2,102.85	\$1,892.57
30#	1995000042 FBF, Inc.: Fayeghi Texaco	\$8,902.83	\$8,012.55
31#	1995000074 Vera Hester: Glendale Service Facility	\$13,140.31	\$11,817.28
32#	1995000080 Churchill Co.: Churchill Co. Road Department	\$11,943.36	\$7,123.40
33#	1995000092 Sierra Machinery, Inc.: Sierra Machinery	\$50,461.09	\$15,311.03
34#	1995000094 Caesar's Tahoe	\$11,918.00	\$8,392.50
35#	1995000105 Redman Petroleum Corp.: Redman Petroleum	\$6,518.34	\$5,866.51
36#	1995000142 7-Eleven, Inc.: 7-Eleven # 29644	\$18,036.64	\$16,188.70
37#	1996000026 Moapa Valley Credit Union: Former Russ Auto	\$15,741.79	\$11,324.00
38#	1996000058 Bill Abdul: The Country Store	\$6,742.00	\$6,067.80
39#	1996000063 Joan Pennachio: V & V Automotive	\$6,799.10	\$6,119.19
40#	1996000064 Karen Salamon: Red Rock Mini Mart	\$62,457.88	\$42,721.45
41#	1996000101 Conoco Phillips Company: Circle K # 695	\$22,765.98	\$20,489.38
42#	1997000024 BP West Coast Products LLC: ARCO # 399	\$26,482.83	\$28,810.57
43#	1997000038 Shell Oil Products USA: Former Keystone Shell	\$7,509.27	\$5,734.86
44#	1997000039 Shell Oil Products USA: Inc	\$21,024.85	\$16,301.29
45#	1997000061 Berry-Hinckley Industries: Berry-Hinckley # 60	\$2,762.50	\$2,486.25
46#	1997000093 Conoco Phillips Company: Union 76 # 5257	\$12,935.70	\$6,616.03
47#	1998000014 Berry-Hinckley Industries: Berry-Hinckley # 26	\$6,376.69	\$4,419.84
48#	1998000016 Conoco Phillips Company: Circle K # 1366	\$13,848.63	\$12,463.77

VI C	OLD CASES	REQUESTED	RECOMMENDED
49#	1998000017 Brinton Investment Co.: The Mountain Store	\$15,113.45	\$13,570.12
50#	1998000025 Washoe Co. School Dist.: Getto Transportation	\$7,687.79	\$7,687.79
51#	1998000046 N. & D. Willden: Allstate Rent A Car	\$78,772.92	\$70,889.23
52#	1998000053 7-Eleven, Inc.: 7-Eleven # 27361	\$8,166.64	\$1,837.49
53#	1998000054 7-Eleven, Inc.: 7-Eleven, # 29659	\$44,526.04	\$40,059.30
54#	1998000056 BP West Coast Products LLC: ARCO # 6018	\$4,712.09	\$4,240.89
55#	1998000059 7-Eleven, Inc.: 7-Eleven, # 29661	\$11,651.96	\$10,486.77
56#	1998000068 Conoco, Inc.: Conoco # 28003	\$9,965.05	\$8,968.54
57#	1998000073 City of Reno: Reno Police Station	\$12,870.38	\$12,870.38
58#	1998000075 Robert Dufferena: McDermitt Service & Motel	\$6,169.78	\$5,486.43
59#	1998000080 Seven Crown Resorts: Echo Bay Resort	\$9,977.88	\$8,674.09
60#	1999000007 7-Eleven, Inc.: 7-Eleven # 21850	\$21,743.46	\$19,569.11
61#	1999000008 7-Eleven, Inc.: 7-Eleven # 23129	\$18,803.98	\$16,882.56
62#	1999000012 BP West Coast Products LLC: ARCO # 5319	\$6,267.87	\$3,383.04
63#	1999000017 Reed Distributing: Reed R-Place Shell	\$20,038.92	\$18,035.03
64#	1999000037 Longley Construction Co.: Longley Construction	\$13,534.95	\$11,341.39
65#	1999000048 Cowan Estate: Former Lightning Lube	\$29,212.28	\$28,885.47
66#	1999000061 Rich Sorani: Rich's Unocal	\$46,950.92	\$42,255.83
67#	1999000066 Haycock Petroleum Dist.: Haycock Petroleum	\$11,129.64	\$10,013.98
68#	1999000082 S&G Properties LLC: Standard Wholesale Supply	\$7,016.50	\$6,125.85
69#	1999000089 Jerry Maeder: Jerry's Chevron	\$22,609.42	\$20,296.68
70#	1999000090 Haycock Petroleum Dist.: Haycock Petroleum	\$28,241.56	\$25,417.40
71#	1999000108 Gold Ranch Casino: Gold Ranch Casino	\$31,407.33	\$28,266.60
72#	1999000117 Berry-Hinckley Industries: Berry-Hinckley # 45	\$3,771.37	\$3,283.99
73#	1999000145 Jerry Applehans: Gagne Coach Maintenance	\$6,076.82	\$5,469.14
74#	1999000155 Varney Padgett: Old Washoe Station	\$24,515.31	\$22,063.78
75#	1999000167 City of Las Vegas: Fire Station # 1	\$7,592.09	\$6,832.88
76#	1999000181 BP West Coast Products LLC: ARCO # 5488	\$10,656.90	\$9,591.21
77#	1999000182 Berry-Hinckley Industries: W. Mountain Oil # 200	\$16,189.04	\$14,527.38
78#	1999000186 Gloria Pilger: Former D&G Oil Facility	\$19,515.28	\$17,428.75
79#	1999000199 Mary Ann Ferguson: Lakeshore Orbit Station	\$25,564.35	\$25,008.02
80#	1999000204 Berry-Hinckley Industries: Trailside General Store	\$25,446.07	\$22,901.46
81#	1999000220 7-Eleven, Inc.: 7-Eleven # 22854	\$5,466.24	\$4,919.61
82#	1999000224 BP West Coast Products LLC: ARCO # 5326	\$6,009.61	\$5,401.90
83#	1999000237 Ralph Lisle: Beatty General Store	\$36,907.37	\$29,635.77
84#	1999000239 Callville Bay Marina: Callville Bay Marina	\$18,036.32	\$16,165.19
85#	1999000242 Harjit Singh: S & S Deli & Mini Mart	\$3,344.81	\$2,884.33
86#	1999000243 7-Eleven, Inc.: 7-Eleven # 27607	\$13,005.30	\$7,022.87
87#	1999000244 7-Eleven, Inc.: 7-Eleven # 22070	\$44,187.49	\$39,768.74
88#	1999000248 Ron Holman: Southern Wine & Spirits	\$18,833.17	\$16,072.35
89#	1999000252 Western Energetix Corp.: Winner's Corner # 14	\$10,608.53	\$8,592.91
90#	1999000257 University of Nevada: Newlands Agriculture	\$12,380.68	\$10,632.31
91#	1999000273 V.K. Leavitt: The Waterhole	\$76,835.50	\$34,102.62
92#	1999000275 Conoco Phillips Company: Circle K # 1248	\$4,565.19	\$3,697.81
93#	1999000276 Robert Harris: Pecos Station Texaco	\$6,799.39	\$6,116.75
94#	2004000011 William Rodriguez: Four Way Truck Stop	\$23,794.47	\$12,259.20
95#	2004000014 BP West Coast Products LLC: ARCO # 437	\$8,218.40	\$7,378.55

VI C		OLD CASES	REQUESTED	RECOMMENDED
96#	2004000025	BP West Coast Products LLC: ARCO # 1580	\$5,221.24	\$3,764.24
97#	2004000027	BP West Coast Products LLC: ARCO # 5309	\$4,966.36	\$4,462.97
98#	2004000029	V-R Property Management: Gas-N-Save	\$43,739.70	\$39,365.73
99#	2004000035	Seven Crown Resorts: Echo Bay Marina	\$14,233.02	\$12,791.72
100#	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$21,692.16	\$19,522.94
101#	2005000018	BP West Coast Products LLC: ARCO # 1718	\$4,246.38	\$3,821.74
102#	2005000021	Berry-Hinckley Industries: Berry-Hinckley # 95	\$22,671.21	\$20,242.09
			<u>REQUESTED</u>	<u>RECOMMENDED</u>
OLD CASES-SUB TOTAL:			<u>\$1,969,970.23</u>	<u>\$1,677,573.92</u>
CLAIMS TOTAL:			<u>\$2,214,680.97</u>	<u>\$1,840,019.51</u>

Ms. Bowman stated that she would abstain from voting on items under section VI C, numbers 5, 17, 22, and 51, due to a conflict of interest. Chairman Haycock announced that he also would be abstaining under section VI C, Old Cases, numbers 67 and 70.

Ms. Joanne Blystone moved for approval of consent items Heating Oil number 1-8, new cases number 1-3, and old cases number 1-102. Mr. Edgar Roberts seconded the Motion.

Mr. Kirk Stowers, Broadbent & Associates, requested to know if a change had been made on item number eighty-three regarding the recommended amount after the agenda was published. The response provided was that an amount amended was not available, as this submission had not yet been processed.

Motion carried unanimously, with Ms. Linda Bowman abstaining from VI C #5, #17, #22 and #51 and Mr. John Haycock abstaining from VI C #67 and #70.

VII. EXECUTIVE SUMMARY

Mr. Gil Cerruti reported three new cases have been received for evaluation since the beginning of fiscal year 2006 in July. Since the beginning of the program, 1,258 cases have been reviewed. There are currently 251 active remediation cases, 829 have been closed, 101 have been denied coverage and there are presently 35 awaiting additional information. To date, including this meeting, 121.8 million dollars have been reimbursed to owners and operators. Mr. Cerruti referenced the graphs provided to the Board relating to the reimbursement and case flow. He reported that the caseloads have stabilized. The billing for the \$100 per tank fee begins October 1, 2005. The income amount for this billing is \$426,000. This will be the only income to the fund this fiscal year. He reported that there are now 632 above ground storage tanks in the fund. These are non-regulated tanks.

Ms. Bowman requested to know the percentage of above-ground tanks in the fund. Mr. Cerruti replied that there are 632 above ground storage tanks and 3,628 underground tanks, a percentage of

approximately one-sixth. The reimbursement requests for the above ground tanks is very low. Mr. Cerruti reviewed the existing claims relating to the above ground storage tanks. To enroll, an above ground storage tank the owner must wait six months and demonstrate that they complete inspections and inspection logs on a regular basis in order for the coverage to be effective.

Mr. Cerruti stated that there are approximately six tanks related to marinas. After the meeting by the State Environmental Commission on October 4, 2005, there will, in all probability, be regulations for those tanks. Mr. Cerruti reviewed the initial plans for enforcement of these regulations.

VIII. PUBLIC FORUM

There were no individuals who desired to speak under Public Forum.

IX. CONFIRMATION OF NEXT MEETING DATE

The next meeting date was set for Thursday, December 8, 2005. Mr. Cerruti commented that the meeting would be held in Reno, Nevada on the proposed date, as the facilities in Carson City were not available. He also noted that there would also be only 45 working days between meetings, in lieu of the standard 60 working days. This is in order to avoid meeting during the holiday season and to remain on schedule. A discussion followed regarding meeting in one location. Mr. Cerruti commented that, at the next meeting, amended legislative code (NAC) would be reviewed.

Ms. Joanne Blystone moved to approve the meeting date. Mr. Tom Porta seconded the Motion. Motion carried unanimously.

Chairman Haycock announced that there was one question from the public before adjournment. Therefore, Public Forum would be re-opened. There was no objection.

X. PUBLIC FORUM

Mr. Kirk Stowers with Broadbent and Associates, requested to know if a due date for the insurance submittals had been determined given that there would be a shortened interval between the meetings. Mr. Cerruti replied that the deadlines are already posted on the Internet. The first deadline for claims submission is October 10, 2005. The final submission date will be somewhat flexible. Mr. Cerruti requested that Mr. Stowers contact him to discuss the submissions.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:22 a.m.

Ms. Linda Bowman moved to adjourn. Mr. Edger Roberts seconded the Motion. Motion carried unanimously.